

## Message Text

LIMITED OFFICIAL USE

PAGE 01 CARACA 05165 171610Z

42

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 SIL-01 DODE-00 PM-03 H-02 L-02 NSC-05 PA-01

PRS-01 SP-02 SS-15 USIA-06 SCCT-01 SY-05 OPIC-03

XMB-02 FEA-01 TRSE-00 /079 W  
----- 080644

R 171330Z MAY 75

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 8779

LIMITED OFFICIAL USE CARACAS 5165

E.O. 11652: N/A

TAGS: ELAB PFOR ECON VE

SUBJECT: IRON MINERS STRIKE AGAIN

REF: CARACAS 941

SUMMARY: ON MAY 14, 15 AND 16 THE IRON MINERS IN THE MINES NATIONALIZED JANUARY 1, 1975, RENEWED THE WILDCAT STRIKE WHICH THEY HAD SUSPENDED ON JANUARY 24, 1975 AFTER A TELEVISION SPEECH BY PRESIDENT PEREZ PROMISING TO ATTEND TO THEIR GRIEVANCES. THE STRIKE IS IMPORTANT BECAUSE THE IRON MINES NATIONALIZATION IS CONSIDERED A TEST CASE FOR THE NATIONALIZATION OF THE PETROLEUM INDUSTRY SCHEDULED FOR SOMETIME IN 1975. END SUMMARY

1. ON MAY 14 THE IRON MINERS EMPLOYED AT THE CERRO BOLIVAR MINE OWNED BY THE ORINOCO MINING COMPANY LAUNCHED A WILDCAT STRIKE. ON MAY 15 AND MAY 16 THE WILDCAT STRIKE SPREAD TO THE ORINOCO MINING COMPANY FACILITIES AND TO THE IRON MINES CO. AND SEEMED TO BE RAPIDLY APPROACHING THE PROPORTIONS OF THE JANUARY 20 - JANUARY 24 WILDCAT STRIKE. THE JANUARY STRIKE WAS FINALLY ENDED BY A DRAMATIC TELEVISION SPEECH BY PRESIDENT CARLOS ANDRES PEREZ AS REPORTED REFTEL. (THE ORINOCO MINING CO. WAS OWNED BY U.S. STEEL AND THE IRON MINES CO. WAS OWNED BY BETHLEHEM UNTIL THE JANUARY 1, 1975, LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CARACA 05165 171610Z

NATIONALIZATION OF BOTH COMPANIES BY THE GOV, WHEN OWNERSHIP PASSED

TO THE CORPORACION VENEZOLANA DE GUAYANA - CVG.)

2. WORKERS, AS IN JANUARY, SEEMED TO BE ACTING MORE OR LESS SPONTANEOUSLY OUTSIDE THE ESTABLISHED LEADERSHIP OF THEIR MULTIPLE UNIONS AND ONCE MORE WERE EXPRESSING THEIR DISPLEASURE WITH THE HANDLING OF THEIR SEVERANCE AND SENIORITY BENEFITS BY THE CVG. THE CVG HAS NOW POSTED A LIST SHOWING WHAT EACH WORKER'S ACCUMULATED BENEFITS WERE AS OF DECEMBER 31, 1974. MANY WORKERS DISAGREE WITH THE CALCULATIONS, AND ALL OF THE WORKERS CONTINUE TO INSIST THAT THE BENEFITS SHOULD BE PAID OUT IN CASH OR AT LEAST DEPOSITED IN NOMINATIVE BANK ACCOUNTS, SINCE THE CHANGE IN OWNERSHIP REPRESENTED A CHANGE OF EMPLOYERS AND THUS MADE THE SEVERANCE AND SENIORITY BENEFITS DUE AS OF JANUARY 1, 1975. THE CVG CONTINUES TO EQUIVOCATE ON THIS ISSUE, AT LEAST IN THE EYES OF THE WORKERS, OFFERING TO PAY PARTIAL BENEFITS OR ELSE DEPOSIT THE BENEFITS IN A FORM OF BANK ACCOUNT TO WHICH WORKER ACCESSIBILITY IS LIMITED AND OF A TYPE COMPLETELY UNFAMILIAR TO THE IRON MINERS. THE WORKERS ALSO ACCUSE THE CVG OF ATTEMPTING TO NEGOTIATE THE QUESTION OF TITLE TO THE WORKERS' HOUSING AFTER PRESIDENT PEREZ HAD ALREADY TOLD THE WORKERS THAT THEY WILL RECEIVE CLEAR TITLE TO THEIR DWELLINGS.

3. RUMORS ABOUND THAT THE CVG WILL UNDERTAKE MASSIVE FIRINGS AND MAY EVEN CLOSE THE IRON MINING OPERATIONS FOR A TIME WHILE A NEW CONTRACT IS NEGOTIATED. THE LEADERSHIP OF THE CONFEDERATION OF VENEZUELAN WORKERS (CTV) HAS ANNOUNCED ITS OPPOSITION TO THE WILDCAT STRIKE AND THAT IT WILL PROCEED IMMEDIATELY TO HOLD ELECTIONS TO CONSTITUTE A SINGLE UNION TO REPRESENT THE WORKERS.

4. COMMENT: NEITHER THE CTV NOR THE CVG HAS MADE ANY PROGRESS IN SOOTHING THE IRON MINERS CONCERNS AND SUSPICIONS REGARDING THEIR STATUS AS STATE EMPLOYEES DURING THE THREE MONTHS OF RELATIVE LABOR PEACE WHICH PRESIDENT PEREZ BOUGHT WITH HIS MASTERFUL JANUARY ADDRESS. MORE THAN A PRESIDENTIAL ADDRESS MAY BE NEEDED TO QUELL THIS NEW OUTBREAK. AS WAS THE CASE IN JANUARY, THE IMPORTANCE OF THE STRIKE IS OUT OF PROPORTION TO ITS ECONOMIC IMPACT AND THE NUMBER OF WORKERS INVOLVED BECAUSE IRON NATIONALIZATION IS REGARDED, AT LEAST IN THE PUBLIC MIND, AS A PILOT PROJECT FOR THE NATIONALIZATION OF THE PETROLEUM INDUSTRY.

SHLAUDEMAM

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MINING INDUSTRY, IRONWORKERS, LABOR STRIKES, LABOR OBJECTIVES, SPEECHES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 MAY 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975CARACA05165  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750174-0679  
**From:** CARACAS  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750540/aaaabkan.tel  
**Line Count:** 99  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 CARACAS 941  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 17 SEP 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <17 SEP 2003 by ElyME>; APPROVED <01 OCT 2003 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** IRON MINERS STRIKE AGAIN  
**TAGS:** ELAB, PFOR, ECON, VE, (PEREZ, CARLOS ANDRES)  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006